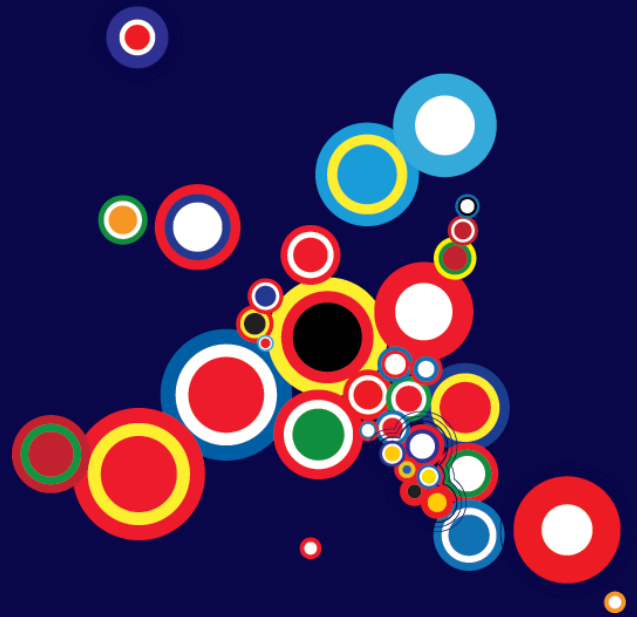




## INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA II) 2014-2020

### IPA II BOSNIA AND HERZEGOVINA

Support to the Public  
Administration Reform and  
the Reform of the Statistics  
system



#### **Action summary**

The Action will support the Public Administration Reform Coordinator's Office (PARCO) in strengthening the institutional framework and in managing the implementation of the Public Administration Reform Strategic Framework 2016-2020. It will also support the BiH statistical institutions in improving and developing the statistics system and implementation of the *Strategy for Development of Statistics of BiH 2020*.

The Action has several objectives: firstly, to finalise and improve the institutional framework, management and organisational structure to implement the PAR Strategic Framework; to develop and strengthen capacities to manage, coordinate and monitor the implementation of the PAR Strategic Framework; to provide PARCO with support in addressing ad hoc needs within the PAR Sector. Secondly, the Action aims at improving National accounts by introducing Regional accounts; strengthening Business Statistics and introducing quality criteria and quality reporting on balance of payments statistics.

<b>Action Identification</b>	
<b>Action Programme Title</b>	Country Action Programme on Bosnia and Herzegovina 2015
<b>Action Title</b>	Support to the Public Administration Reform and the Reform of the Statistics system
<b>Action ID</b>	IPA 2015/037-888.2/Bosnia and Herzegovina/Public Administration Reform - Statistics
<b>Sector Information</b>	
<b>IPA II Sector</b>	1. Democracy and governance
<b>DAC Sector</b>	15110 Public sector policy and administrative management
<b>Budget</b>	
<b>Total cost</b>	3 500 000 EUR
<b>EU contribution</b>	3 500 000 EUR
<b>Management and Implementation</b>	
<b>Method of implementation</b>	Direct management
	EU Delegation to Bosnia and Herzegovina
<b>Location</b>	
<b>Zone benefiting from the action</b>	Bosnia and Herzegovina
<b>Specific implementation area(s)</b>	N/A
<b>Timeline</b>	
<b>Deadline for conclusion of the Financing Agreement</b>	31 December 2016
<b>Contracting deadline</b>	3 years following the date of conclusion of the Financing Agreement, with the exception of the cases listed under Article 189(2) Financial Regulation
<b>End of operational implementation period</b>	6 years following the date of conclusion of the Financing Agreement

## 1. RATIONALE

A well-functioning public administration is of fundamental importance for implementing reforms needed for EU integration. Bosnia and Herzegovina (BiH) considers Public Administration Reform (PAR) as a key priority. It is one of the few areas where a countrywide strategy has been approved and implemented by the four levels of the government – the State level of BiH, the Federation of BiH, Republika Srpska and the Brcko District.

The Public Administration Reform (PAR) Strategy was adopted in 2006 and it covers the administration of these four levels of government. The implementation of the Strategy requires reforms in 6 clearly identified areas: policy-making and coordination capacities; public finance; human resources, administrative procedure; institutional communication; and information technologies. The PAR Strategy was supplemented by Action Plan 1 (AP1). The implementation of the AP1 was primarily focused on preparation and adoption of laws and by-laws. At the legislative level, the PAR was implemented to a considerable extent, while measures and actions that would have concrete results for citizens and companies were less extensive. Contrary to AP1, efforts for the development of sector capacities in key policy areas – linked with the preparation of a second Action Plan (AP2) foreseen in the PAR Strategy - have never been materialised because of lacking a political consensus regarding AP2 content. This has been generally considered as a major weakness of the on-going reform. In 2010-2011 Revised Action Plan 1 (RAP1) was prepared for the period 2011–2014. A general approach to the revision of AP1 was to re-arrange all of those objectives which were set in a vague or too abstract way or did not provide specific added value for citizens, business entities and society. Until 2015, 61% of RAP1 objectives have been fulfilled.

### PROBLEM AND STAKEHOLDER ANALYSIS

There is a plan of developing a new strategic framework in 2015. A comprehensive **PAR strategic framework** which is prioritised and aligned with the Government's financial circumstances provides the basis for implementing prioritised and sequenced reform activities and represents the main precondition for the PAR related component of this Action. The PAR Strategy and the Revised Action Plan1 (RAP1) expired at the end of 2014 and so far three out of the four governments have committed themselves to developing a new strategic framework in the near future. The PAR Strategic Framework (SF) 2016-2020 would enable a multi-annual approach and it would enable more comprehensive and consistent support to PAR.

The political agreement on a joint reform agenda and implementation of the objectives of the new PAR strategic framework will be crucial for improving the effectiveness and efficiency of the public administration, as needed for both improving the delivery of services to the citizens and businesses of BiH as well as for accelerating the integration process with the EU. Lack of political consensus remains a serious concern and shall be addressed through political dialogue with all the relevant authorities. With this purpose, the European Commission and BiH are working together to establish the PAR Special Group as a main forum for political discussion on PAR.

A PAR Strategic Framework 2016-2020 is expected to be approved by the CoM/governments by the start of implementation of the Action. It shall be complemented by plans of activities which must be duly budgeted and aligned with the multi-annual Budgetary Framework. This would contribute to ensure financial sustainability of the PAR agenda. It is also important that implementation arrangements are duly consulted with the civil society organisations and main stakeholders. The Action will provide assistance for the elaboration of the planning documents for the implementation of the SF.

Formal PAR co-ordination structures at both the political and administrative levels to steer and manage the reform design and implementation were set up under the complex decision making structure of the country. The Public Administration Reform Coordinator's Office in BiH (PARCO) was established by the decision of the Council of Ministers of BiH in 2004. The Federation of BiH, the Republika Srpska and the Brcko District appointed public administration reform coordinators. The competencies of the PARCO have been defined by the Decision<sup>1</sup> of the CoM of BiH, by the PAR Strategy and by the Common Platform of 2007. It sets out the

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<sup>1</sup> Decision on Establishment of the Public Administration Reform Coordinator's Office within the Office of the Chairperson of the Council of Ministers of Bosnia and Herzegovina

manner of cooperation and coordination and the composition of Supervisory Teams from all four levels of government for the above 6 core areas of the reform.

At the legislative level, the PAR was implemented to a considerable extent, while implementation of measures and actions that would have concrete results for citizens and companies lacked behind. The PAR management and co-ordination structures at both the political and administrative level will continue to operate to implement the RAP1 objectives and activities until the new strategic framework is adopted.

PARCO is also in charge of the management of the Public Administration Reform Fund<sup>2</sup>. It is the first institution of BiH which is entrusted with foreign donor funds to manage. The assets of this Fund serve as a supplement to available budget resources which finance PAR. Since 2012, the CoM BiH, Entity and District governments are also financially contributing to the PAR Fund. The structure of Coordinators and Supervisory Teams is an indispensable mechanism for the setting of priorities, generation of project ideas, development of project and tender documentation, conduct of procurement procedures, contract management, project implementation, monitoring, evaluation and reporting on PAR.

This Action supports PARCO and all relevant counterparts in addressing the main weaknesses (as highlighted in the SIGMA 2015 baseline measurement) and in strengthening the institutional framework for managing the PAR Strategic Framework, that is to say: improve capacity to manage the SF and ensure the conditions for a sector approach are upheld. This would enable further donor support to the sector including possibly EU sector budget support.

A reporting and monitoring system of the PAR is in place and produces regular biannual and annual reports which allow the provision of aggregate and detailed information on the achievement of objectives and activities. Challenges and obstacles to progress are reported, and recommendations are provided based on the reporting information received from all levels of administration. However, the weakest part relates to the use of performance indicators. The indicators are mainly set at the process- and output-level; thus, the monitoring system doesn't allow reporting on fulfilment of reform objectives and actual impacts achieved. This Action will contribute to develop performance indicators and to set procedures (guidelines) for structured collection and processing of data which will be disaggregated by gender as well. At this extent, it may be useful to identify weaknesses in the IT monitoring system and propose solutions. Furthermore, strong coordination between the lead institutions in charge of PAR and PFM reforms must be established.

Within this overall framework, having accurate, quality and quantity data which can be also disaggregated by gender is a prerequisite for the planning of economic and social policies and the monitoring of their impact. All three statistical institutions in BiH (such as: the Agency for Statistics of BiH-BIHAS, the Institute for Statistics of Federation of BiH-FIS and the Institute for Statistics of Republika Srpska-RSIS) have registered a growing demand for reliable data. In addition, the EU accession process demands further compliance of the BiH statistical system with the European statistical system (ESS) by putting an emphasis on the quality and the comparability of statistical data of BiH with the data of EU Member States.

According to the document - Draft Strategy for Statistical Cooperation with the Enlargement Countries 2014-2020, Annex I: *“Bosnia and Herzegovina starts with a low level of compliance of 8-14% in 2013, expects an increase to 27-37% in 2017 and to 47-57% in 2020. The expected evolution is admittedly rather slow, but it may reflect the additional complications in this country due to the decentralised statistical system with three different statistical entities.”*<sup>3</sup>

Furthermore, statistics of BiH will try to prepare the necessary data (indicators) for monitoring of the South East Europe 2020 Strategy and the Europe 2020 Strategy; in practice it means preparation of new indicators that are now missing thus being one of the big challenges for BiH statistics.

## **RELEVANCE WITH THE IPA II STRATEGY PAPER AND OTHER KEY REFERENCES**

The **Indicative Strategy Paper (ISP) for BiH** recalls that governance and public administration reform are key priorities of the Enlargement Strategy. Strengthened democratic institutions, an inclusive democratic process, a strong role for the civil society and further progress with electoral, parliamentary and public administration reforms are keys for the accession process

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<sup>2</sup> A fund mostly financed by the international community to support BiH in the PAR reform process

<sup>3</sup> Eurostats, March 2014

The focus of IPA II assistance will be on the implementation of principles of good governance and improving the public sector management, in particular to strengthen economic management, public financial management, public service delivery and administration reform, as well as combat against corruption. Furthermore, the Indicative Strategy Paper states that “A new, comprehensive PAR strategy is needed, covering also the functioning of EU integration structures within the various levels of government to strengthen the administrative capacity of the country in dealing with EU matters and responsibilities.”

Again, when it comes to the specific aspects of statistics, it highlights that “The statistical system does not produce sufficiently reliable data on the population, on economic, macro-economic and trade statistics and national accounts. Reliable data remain crucial to support the social and economic development of the country.” In this specific regard the following results are defined: “The statistical system will have the capacities to produce reliable macro-economic, business, social and demographic, financial and agricultural statistics; regional statistical classification (harmonized with the nomenclature of territorial units for statistics (NUTS) regulation) should become available, the external trade index, a harmonised index of consumer prices and business statistics, should improve”.

In the **Progress Report 2014** it is noted that: “There has been no progress with regard to policy development and coordination. Adequate planning of actual costs and sources of financing for implementation of the current PAR strategy is required.” Also, the Report notices that: “The country’s administrative structures need to be strengthened substantially to be able to respond effectively to the requirements of the EU accession process. As regards accountability and service delivery, the lack of a harmonised and modernised legal administrative framework negatively affects the quality of public services delivery at all administrative levels”.

In the face of the very limited progress made last year in reforming the public administration and improving its capacity to fulfil the requirements of EU integration, the Report considers that the dysfunctions of public administration at, and between, its different levels remain an issue of serious concern.

In section Statistics 4.2.8, the Report states that “there was some progress in the area of statistics, in particular regarding implementation of the population and housing census and data processing, as well as in some areas of business statistics. **Sectorial statistics such as national accounts, and business and agricultural statistics need to be further improved.** Cooperation, coordination and decision-making processes need to be further improved to develop the national statistical system and key statistical areas.”

**According to SIGMA 2014 Report, the following priority targets are proposed for BiH PAR sector for 2020:**

1. A functioning strategic and management framework of public administration reform (PAR) which ensures, through overall political steering and monitoring of performance, a prioritised approach to reforms aligned with available financial and human resources.
2. A professional civil service, in line with EU principles, is in place through the implementation of adopted civil service legislation and adequate human resources management (HRM) tools, and it is supported by central management capacities that have the authority and resources to ensure coherent standards and common practices at all administrative levels in Bosnia and Herzegovina (BiH).

These priorities still remain valid.

### **Principles of Public Administration**

A high-level conference held in Brussels on 12 November 2014 introduced the European Commission’s reinforced approach to public administration reform in the Enlargement process and launched the Principles of Public Administration developed jointly by the EC and OECD/SIGMA.

The Principles were well received and welcomed by the Western Balkans countries and Turkey as a good framework for structuring a dialogue on public administration reform with the European Commission, but also for guiding, prioritising and monitoring the national reform process. The countries also committed to work with SIGMA in conducting country reviews which will set baseline values for indicators included in the monitoring framework. Country reviews will be submitted to the European Commission as an input for the annual Progress Report and will be available in autumn 2015.

## **SIGMA 2015 Baseline Measurement for BiH**

The Baseline Measurement was conducted to gather information on the 2014 situation in the countries of the region, using the same methodology. For the area of Strategic Framework of Public Administration Reform in BiH, the indicator ‘extent to which a comprehensive PAR reporting and monitoring system is in place’ was marked with 3. The aim of this Action will be to improve this value, shall the reporting and monitoring system remain as it is, or reach the highest possible assessment shall the system change as a result of the new Strategic Framework.

### **SECTOR APPROACH ASSESSMENT**

Commissioned by DG Enlargement, a study called ‘Mapping Sector Strategies’ was carried out in February 2014. The PAR sector achieved the highest score out of the 6 sectors assessed in BiH. The score was 47.97 out of 56. The PAR sector with PARCO as coordinating institution was considered ready for sector approach with some improvements.

The sector has a PAR Strategy in place. It has well developed sector coordination organised according to the Pillars of the strategy and it has a unique instrument of donor coordination (the PAR Fund), which pools the resources of donors for the priority projects for implementation of the PAR Strategy. The donor coordination for the sector is conducted via the meetings of the PAR Fund Joint Management Board (JMB). The meetings are organised regularly and often on a monthly basis. There is also a Donor Coordination Forum organised by the Ministry of Finance and Treasury of BiH. The performances of the sector are constantly measured and monitored also through various forms of external assessments such the one carried out by SIGMA.

The “*Strategy for Development of Statistics of Bosnia and Herzegovina 2020*” is a document aiming to define long-term goals as well as the general principles, guidelines and criteria for action and for development of the statistical system in BiH. The Strategy is, to a great degree, determined by BiH's strategic goal – accession to the European Union. Alongside the PAR mainstream, the subsector of statistics can be assessed as ready for sector approach having the main conditions related to the five main criteria of assessment (sector strategy, institutional settings and capacities, coordination, budget provisions and performance measurement) largely in place.

### **LESSONS LEARNED AND LINK TO PREVIOUS FINANCIAL ASSISTANCE**

The EC has supported the development of the PAR sector through *EC Support to the Public Administration Reform Coordination Office (PARCO)* (2005–2007). The Project provided initial assistance in the institution- and capacity-building of PARCO and showed that the key element of success of such projects is the selection and availability of quality and proactive staff in the beneficiary institution. The institution-building project was followed by the IPA 2007 project “*Capacity building of the Office of the Coordinator for Public Administration Reform*” that assisted PARCO in strengthening their capacity for coordination and consultation on the revision of the Action Plan 1. The August 2011 ROM report for the project received in general a positive assessment. Key element was the participative and consultative approach the project took together with PARCO in the evaluation of the AP1 implementation thus far and the revision of this plan. The document was so closely consulted with all stakeholders that all four governments adopted it in 2012 without hesitation.

The above successful approach could not materialise in the IPA 2011 project entitled ‘*Support to Coordination and Implementation of Public Administration Reform (PAR) in BiH*’. The Project produced a proposal document for discussion ‘PAR2020: The Way Forward’ but the document was not well accepted by all members of the PAR structure and was consequently not put forward for adoption in 2014.

In the area of statistics there is an ongoing Twinning project under IPA 2012 (“*Support to the State and Entity Statistical Institutions, phase VI*”).

## 2. INTERVENTION LOGIC

### LOGICAL FRAMEWORK MATRIX

OVERALL OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS	SOURCES OF VERIFICATION	
To contribute to the reform of the public administration and of the statistical system in supporting the country's EU integration process by enhancing capacities to deal with EU matters.	Progress made towards meeting accession criteria in the area of public administration reform  Statistical compliance (%)	NEAR – Progress report  EUROSTAT	
SPECIFIC OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS	SOURCES OF VERIFICATION	ASSUMPTIONS
To support the implementation of the PAR Strategic Framework  To strengthen the statistical system by improving and developing institutional capacities in the areas of National Accounts, Business Statistics, Balance of Payments (BoP) and International Investment Position (IIP) statistics	Percentage (%) of alignment of the established PAR structure with the proposed “Organisation Framework”  Progress made towards implementation of SIGMA priorities of good governance Increased number of indicators (Regional accounts, SBS, STS, Tourism statistics) for which data is collected and disseminated to users IIP and BoP statistics produced according to EU standards (Central Bank of BiH)	Project implementation reports (inception, periodical and final); Steering committee PAR SF monitoring reports SIGMA report  Web sites of the three statistical institutions	All stakeholders actively involved in a coordinated approach to key legislation and harmonisation of institutional settings and procedures
RESULTS	OBJECTIVELY VERIFIABLE INDICATORS	SOURCES OF VERIFICATION	ASSUMPTIONS
<b>PAR</b> <b>Result 1:</b> Institutional framework, management and organisational structure to implement the PAR Strategic Framework finalised and improved <b>Result 2:</b> Developed and strengthened capacity to manage, coordinate and monitor the implementation of the PAR Strategic Framework, and increased visibility and promotion of the PAR interventions  <b>STATISTICS</b> <b>Result 3:</b>	Organisational Framework for the implementation of the PAR SF proposed, agreed and accepted by the beneficiaries Positive preliminary assessment for EU sector budget support to PAR (Sector Reform Contract)  Training plan equally responsive to women and men prepared based on the TNA/CNA and accepted by the beneficiaries Number of trained beneficiaries from the PAR structures in accordance with the training plan Needs Assessment as well as technical specifications for an IT solution to support the operability of the PAR SF developed Number of visibility activities delivered as a result of this Action Regional accounts NUTS 2 (table 10, ESA 2010) data available to users: Gross value added (GVA), Gross domestic product (GDP), Gross fixed	Governments' decisions  Project implementation reports (inception, periodical and final)  Web, Press release, gender sensitive training reports  Project implementation reports (inception, periodical and final) All data transmitted to Eurostat Web, publications	Communication strategies adopted Communication strategies allocated means and resources for their implementation Target audience of training available Trained trainers able to implement training actions

<p>Improved National accounts by introduction of Regional accounts,<sup>1</sup></p> <p><b>Result 4.</b> Strengthened Business Statistics by Improving Statistical Business Register/SBR<sup>2</sup>, Structural Business Statistics/SBS -and Short Term Statistics (STS) and Tourism Statistics<sup>3</sup>-</p>	<p>capital formation (NUTS 2) and Employment data; compensation of employees data</p> <p>First data on large domestic enterprises group available</p> <p>Profiling method developed</p> <p>SBR 5-years plan (2018-2022) prepared</p> <p>Harmonized framework for SBS established</p> <p>Using of administrative sources for the first time to produce SBS variables</p> <p>Feedback of reduced burden of reporting units available.</p> <p>Producer prices in Construction indices and Producer prices published</p> <p>Demand side of tourism statistics indicators available</p> <p>Methodological documents available in three institutions</p> <p>Quality declarations for Industrial Production Index and Index of Production in Construction available in BiH</p> <p>Methodologies on STS Construction and Services Statistics and Tourism statistics available in BIH institutions and data made available to users</p>	<p>First data on domestic enterprise groups transmitted to EUROSTAT Web, publications</p> <p>Producer prices in Construction indices, Producer prices in Services indices and tourism statistics indicators transmitted to Eurostat</p>		
<p><b>Result 5</b> – Introduced quality criteria and quality reporting on Balance of Payments (BoP) and IIP statistics<sup>4</sup></p>	<p>BoP pilot quality criteria and quality report prepared for selected period</p> <p>Identification of data sources finalised</p> <p>Methodological documents developed</p> <p>First data for quarterly International Investment Position for selected years (based on data available) made available</p>	<p>Reports provided to users and international organizations, available also on the web or in publications. Data transmitted to the IMF and European institutions</p>		<p>Adequate staff and needed IT support provided.</p> <p>Technical assistance completed</p>
<p><b>ACTIVITIES</b></p>		<p><b>MEANS</b></p>	<p><b>COST</b></p>	<p><b>ASSUMPTIONS</b></p>
<p><b>Activities to achieve Result 1:</b></p> <p>1.1. Identify new and develop existing proposals for PAR organisational structures, systems and processes of coordination within the PAR sector in BiH required for implementation of the PAR Programme</p> <p>1.2. Support change within the management, coordination, supervising and PAR implementing structure while, at the same time, respecting gender equality objectives</p> <p>1.3. Monitoring and revision of documents relevant for implementation of the PAR SF, such as individual action plans/operational programmes</p> <p>1.4. Pilot the sector approach by supporting the implementation of projects under the PAR SF.</p> <p>1.5. Provide support to the Sector to secure the preconditions for the budget support</p> <p>1.6. Develop a system of programming assistance in accordance with the sector approach and integrated model for the PAR funding that will ensure more efficient and more operational project implementation</p> <p><b>Activities to achieve Result 2:</b></p> <p>2.1 Perform TNA/CNA to strengthen capacities of the PAR structure for analysis, assessment, programming, strategic planning, PCM, M&amp;E, etc. in accordance with the new system of programming and managing the PAR SF.</p>		<p>Service Contract for activities 1 and 2</p>	<p>EUR 3 500 000 for the whole Action</p>	<p>Target audience of training available</p> <p>Trained trainers able to implement training actions</p>

<sup>1</sup> as a subsystem of the National accounts, and production of indicators for NUTS 2 according to the ESA 2010 and Manual on regional accounts methods 2013 edition

<sup>2</sup> Volume of characteristics in Statistical Business Register (SBR) increased and quality of data improved, in line with EC Regulation no 177/2008

<sup>3</sup> Producer prices in Construction indices and Producer prices in Services indices (EU-STC Regulation No 1165/98) - Demand side of tourism statistics indicators compiled in accordance to the EU Reg.692/2011, Annex II

<sup>4</sup> in line relevant with EU regulation (no 1227/2010) and development of quarterly international investment position statistics – Questionnaire T2.2 (



<p>2.2 Analyse the requirements and prepare specifications of instruments and IT support modalities for managing the PAR Strategic Framework.</p> <p>2.3 Conduct trainings, consultations, etc. in accordance with the TNA/CNA assessment</p> <p>2.4 Design and deliver visibility activities for the promotion of the PAR SF</p> <p>2.5 Strengthen the capacities of PARCO for implementation of Sector Budget Support (Sector Reform Contract)</p>			
<p>3.1 <b>Activities to achieve Result 3:</b> Training of the staff for introduction of Regional accounts in BiH according to the ESA 2010 – Manual on regional accounts methods 2013 edition</p> <p>3.2 Support in defining methods of regionalisation by activities.</p> <p>3.3 Support in practical implementation of the selected methods of regionalisation by activities.</p> <p>3.4 Support in practical implementation of employment estimates using different data sources.</p> <p>3.5 Support in defining timetable and data exchange between institutions.</p> <p>3.6 Support in practical compilation of regional GVA and GDP, GFCF and gender disaggregated employment data.</p> <p><b>Activities to achieve Result 4.1</b></p> <ul style="list-style-type: none"> <li>• Analysis of the current situation</li> <li>• Support in preparation of the Five year SBR plan 2018- 2022</li> <li>• Support in implementation of the “enterprise group” characteristics in SBR</li> <li>• Preparation of first data on large domestic enterprises groups</li> <li>• Support for using profiling method</li> <li>• Training of statisticians</li> </ul> <p><b>Activities to achieve Result 4.2:</b></p> <ul style="list-style-type: none"> <li>• Analysis of the administrative source for compilation of structural variables for Annexes I to IV SBS Regulation</li> <li>• Support in development of harmonised framework of available administrative data for production of SBS variables for Bosnia and Herzegovina and entities</li> </ul> <p><b>Activities to achieve Result 4.3:</b></p> <ul style="list-style-type: none"> <li>• Support in development of all phases of preparation and conducting surveys on: Construction Producer Price Index, Services Producer Price Index and survey on Demand side of tourism statistics (setting up the surveys; sample design, preparation of questionnaires and supporting documentation, weighting procedures, etc.)</li> <li>• Developing of methodologies on STS Construction and Services Statistics and Tourism statistics</li> <li>• Analysis of surveys result, definition and implementation of appropriate methods for compilation of required STS and Tourism statistics indicators</li> <li>• Support in preparation of formats for data transmission to Eurostat</li> <li>• Support in preparation methodological documents for CPPI, SPPI and demand side of tourism statistics<sup>5</sup></li> <li>• Development of quality declarations for IPI and IPC<sup>6</sup></li> </ul> <p><b>Activities to achieve Result 5:</b></p> <p>5.1 Transfer of knowledge for quality criteria and quality reports as required by EC regulations</p> <p>5.2 Support in design and drafting of quality reports</p> <p>5.3 Analysis, assessment and up-date of all data resources</p>	<p>Twinning contract for activities 3, 4 and 5</p>		<p>Data on population on NUTS2 available; SBR updated, classification of territorial units implemented; administrative data on employment available; data on LFS and SBS or other statistical sources available at the necessary level of detail. Agreement on responsibilities and data sharing between three statistical institutions made. Following data sources available for statistics:</p> <p>a) For the state level: VAT base – ALICE – (holder: Indirect Taxation Authority);</p> <p>b) For the entity level: Register of financial statements, Register of business entities (holders: entities Taxation Authority and AFIP and APIF.</p> <p>IT and sample staff support provided</p> <p>Private company provides bill of quantities and specifications for CPPI</p> <p>Introduction of new methods of data collection (CAWI,CATI)</p> <p>Good cooperation among all involved partners (the state and</p>

<sup>5</sup> Compilation of Demand side of tourism statistics indicators in accordance to the EU Regulation 692/2011, Annex II

<sup>6</sup> Quality declarations for Industrial Production Index and Index of Production in Construction

5.4 Support in defining methodologies and data processing for quarterly IIP			Entity statistical institutes,
5.5 Checking consistency between quarterly and annual IIP			CBBIH)

## **ADDITIONAL DESCRIPTION**

More information on the PAR implementation structure including the PARCO office, entity and District coordinators, supervisory teams and PAR Fund procedures and projects is available at [www.parco.gov.ba](http://www.parco.gov.ba)

These structures, in particular in the entities, will need strengthening and -to this aim- the Action will support the setting up of the institutional and organisational frameworks to manage the implementation of the PAR Strategic Framework. The Strategic Framework may need to be further operationalised in the form of individual operational programmes (for an area, year, or administrative level) and the Action needs to be based on a flexible, inclusive and consultative model of support, including designing an operational framework for implementation, ensuring preconditions for budget support and implementing solutions.

Moreover, the Action will enhance the capacities of the beneficiaries: in wider terms, the entire public administration of BiH will benefit from the implementation of PAR SF 2016-2020 and the Strategy for Development of Statistics of BiH 2020 ensuring institutional capacity to deliver services in a gender-sensitive manner as well.

## **3. IMPLEMENTATION ARRANGEMENTS**

### **ROLES AND RESPONSIBILITIES**

In a general and wide scale, all institutions from PAR Sector will benefit from the Action.

The main Beneficiary of the activities included within the PAR related results (results 1 and 2) is PARCO.

The main Beneficiaries of the activities addressed to the statistics (results 3 and 4) are the three BIH statistical institutions (BIHAS, FIS and RSIS).

The main beneficiary of the activities related to result 5 is the Central Bank of BiH (CBBiH).

### **IMPLEMENTATION METHOD(S) AND TYPE(S) OF FINANCING**

The Action will be managed under direct management by EU Delegation to BiH.

The Action will be implemented through one *Service contract* and one *Twinning contract*.

## **4. PERFORMANCE MEASUREMENT**

### **METHODOLOGY FOR MONITORING (AND EVALUATION)**

Specific Steering Committees set up by the beneficiary institutions involved will monitor the implementation of respective set of activities. The Action will be regularly monitored by EU Delegation to BiH paying due attention to inclusion of a gender component as well. Results-Oriented Monitoring may be made available for an external monitoring of the Action.

The Commission may carry out a mid-term, a final or an ex-post evaluation for this Action or its components via independent consultants, through a joint mission or via an implementing partner.

In case a mid-term or final evaluation is not foreseen, the Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner. The evaluations will be carried out as prescribed by the DG NEAR guidelines for evaluations. In addition, the Action might be subject to external monitoring in line with the EC rules and procedures set in the Financing Agreement.

## INDICATOR MEASUREMENT

Indicator	Baseline (year) (2)	Milestone 2017(3)	Target 2020 (4)	Final Target (year) (5)	Source of information
<b><i>CSP indicator</i></b>					
Progress made towards meeting accession criteria in the area of public administration reform <sup>10</sup>	Little progress was achieved in the area of public administration reform	Some progress was achieved in the area of public administration reform	Alignment with the EU Acquis partially achieved		EC Progress Report
Progress made towards further compliance of statistical data with EU requirements	low level of compliance of statistical data 8-14% in 2013	27-37% in 2017	47-57% in 2020		
<b><i>Action outcome indicator 1</i></b>					
Percentage (%) of alignment of the established PAR structure with the proposed "Organisation Framework" <sup>11</sup>	0%	At least 10%	100%	100%	Government decisions
<b><i>Action outcome indicator 2</i></b>					
Progress made towards implementation of SIGMA priorities of good governance <sup>12</sup>	Partial alignment (2014)	Alignment of PAR Structure with SIGMA priorities partially achieved	Partially achieved		SIGMA report
<b><i>Indicator 1:</i></b> Organisational Framework (OF) for the implementation of the PAR SF proposed, agreed and accepted by the beneficiaries	0%	Partially achieved (OF prepared)	100%	100%	Government Decisions
<b><i>Indicator 2:</i></b> Positive assessment of the sector for EU sector budget support to PAR	Partially achieved (2014)	Partially achieved	100%	100%	EU or other donor sector assessment report
<b><i>Indicator 3:</i></b> Training plan equally responsive to women and men prepared based on the TNA/CNA and accepted by the beneficiaries	0 % (2014)	Fully achieved	100%	100%	Project reports
<b><i>Indicator 4:</i></b> Number of trained beneficiaries from the PAR structures in accordance with the training plan	0 % (2014)	10% from the AD training plan	100% from the AD training plan	100%	Project reports
<b><i>Indicator 5:</i></b> Needs Assessment as well as technical specifications for an IT solution to support the operability of the PAR SF developed	0 % (2014)	Fully achieved	100%	100%	Project reports

<sup>10</sup> Progress made towards the reform of the public administration and supporting the country's EU integration process

<sup>11</sup> Progress made towards alignment of PAR structure with proposed institutional framework

<sup>12</sup> Progress made towards alignment of PAR Structure with SIGMA priorities of good governance

<b>Indicator 6:</b> Number of visibility activities delivered as a result of this Action	0 % (2014)	20% of visibility activities as per work plan for this AD	100% of visibility activities as per work plan for this AD	100%	Project reports
<b>Action outcome indicator 3</b> Regional accounts <sup>13</sup> introduced					
Increased number of indicators on Regional accounts for which data is collected and disseminated to users	0%	20%	100%	100%	
<b>Indicator 7:</b> Regional accounts NUTS 2 (table 10, ESA 2010) data available to users: Gross value added (GVA), Gross domestic product (GDP), Gross fixed capital formation (NUTS 2) and gender disaggregated Employment data; compensation of employees data	0%	20%	100%	100%	Eurostat
<b>Action outcome indicators 4</b> Strengthened Business Statistics					
Increased number of indicators on SBS, STS, Tourism statistics for which data is collected and disseminated to users	0%	25%	100%	100%	
<b>Indicator 8:</b> First data on large domestic enterprises group available	0%	10%	100%	100%	Eurostat Project reports
<b>Indicator 9:</b> Profiling method developed	0%	10%	100%	100%	
<b>Indicator 10:</b> SBR 5-years plan (2018-2022) prepared	0%	80%	100%	100%	
<b>Indicator 11:</b> Harmonized framework for SBS established	0%	20%	100%	100%	
<b>Indicator 12:</b> Using of administrative sources for the first time to produce SBS variables	0%	10%	100%	100%	
<b>Indicator 13:</b> Feedback of reduced burden of reporting units available	0%	10%	100%	100%	
<b>Indicator 14:</b> Producer prices in Construction indices and Producer prices published	0%	30%	100%	100%	
<b>Indicator 15:</b> Demand side of tourism statistics indicators available	0%	30%	100%	100%	
<b>Indicator 16:</b> Methodological documents available in three institutions	0%	20%	100%	100%	

<sup>13</sup> as a subsystem of the National accounts, and production of indicators for NUTS 2 according to the ESA 2010 and Manual on regional accounts methods 2013 edition

<b>Indicator 17:</b> Quality declarations for Industrial Production Index and Index of Production in Construction available in BiH	0%	30%	100%	100%	
<b>Indicator 18:</b> Methodologies on STS Construction and Services Statistics and Tourism statistics available in BIH institutions and data made available to users	0%	30%	100%	100%	
<b>Action outcome indicators 5</b> Introduced quality criteria and quality reporting on balance payments statistics,					
IIP and BoP statistics produced according to EU standards (Central Bank of BiH)	0%	26%	100%	100%	
<b>Indicator 19:</b> Introduced quality criteria and quality reporting on balance payments statistics -Balance of Payments and IIP statistics	0%	20%	100%	100%	Eurostat
<b>Indicator 20:</b> BoP pilot quality criteria and quality report prepared for selected period	0%	20%	100%	100%	
<b>Indicator 21:</b> Identification of data sources finalised	0%	50%	100%	100%	
<b>Indicator 22:</b> Methodological documents developed	0%	30%	100%	100%	
<b>Indicator 23:</b> First data for quarterly International Investment Position for selected years (based on data available) made available	0%	10%	100%	100%	

(1) This is the related indicator as included in the Indicative Strategy Paper (for reference only)

(2) The agreed baseline year is 2010 (to be inserted in brackets in the top row). If for the chosen indicator, there are no available data for 2010, it is advisable to refer to the following years – 2011, 2012. The year of reference may not be the same either for all indicators selected due to a lack of data availability; in this case, the year should then be inserted in each cell in brackets. The baseline value may be "0" (i.e. no reference values are available as the Action represents a novelty for the beneficiary) but cannot be left empty or include references such as "N/A" or "will be determined later".

(3) The milestone year CANNOT be modified: it refers to the mid-term review of IPA II.

(4) The target year CANNOT be modified.

(5) This will be a useful reference to continue measuring the outcome of IPA II support beyond the 2014-2020 multi-annual financial period. If the Action is completed before 2020 (year for the performance reward), this value and that in the 2020 target column must be the same.

## **5. CROSS-CUTTING ISSUES**

### **EQUAL OPPORTUNITIES AND GENDER MAINSTREAMING**

This Action will be implemented in line with two key laws in BiH, such as:

- the Law on Gender Equality and
- the Law on the Prohibition of Discrimination.

More precisely, the Law on Gender Equality prohibits discrimination on the grounds of gender and sexual orientation. Equal representation of men and women is considered attained when one sex is represented with at least 40 per cent in bodies at all levels of authority in BiH (state, entity, cantonal and municipal levels). Within the framework of the Action, the same proportion will be ensured as far as beneficiaries, targets and recipients of the activities will be concerned.

When relevant, gender mainstreaming in the Action will be focused in:

equal opportunity for participation of women in public administration;

non-discriminatory legal and policy frameworks.

Gender sensitive language will be maintained throughout the project cycle. It will be ensured that the Action management will have adequate capacities to enhance women's participation in project activities and work towards gender equality objectives. Collection of gender sensitive data will be upgraded ensuring i) better use of the existing data, ii) better collection of data which exists in the institutions (if any), iii) better procession and cross tabulation of data (i.e. age and sex, sex and education, etc.), iv) better accessibility and timeliness of data (on-line), v) better interpretation of statistical data, vi) organizing some additional surveys, if needed. In general, a gender perspective will be maintained ensuring that the results of the project impact positively on gender equality as well.

### **ENVIRONMENT AND CLIMATE CHANGE (AND IF RELEVANT DISASTER RESILIENCE)**

This Action will have limited environmental impact. It will not have implications on the environment, health and security as a consequence of the actions to be undertaken.

### **ENGAGEMENT WITH CIVIL SOCIETY (AND IF RELEVANT OTHER NON-STATE STAKEHOLDERS)**

This Action Document has been submitted for consultation to Civil Society Organisations.

When it comes to the implementation of this specific Action, all envisaged activities will be open to cooperation and setting of synergies with CSOs and other non-stake stakeholders.

In the specific case of PAR Strategic Framework, the attention given to engage civil society will be of utmost importance and will be addressed in supporting an overall environment that is conducive to civil society development as being an effective and accountable independent sphere of policy making.

### **MINORITIES AND VULNERABLE GROUPS**

Participation in project activities will be guaranteed on the basis of equal access regardless of racial or ethnic origin, religion or belief, disability, sex or sexual orientation.

When implementing the Action, particular care will be paid so that the delivery of services to the citizens is done in a way to reach those marginalised spheres of population and it is designed and engineered without undermining the safeguard of minorities' rights and interests of vulnerable groups.

## **6. SUSTAINABILITY**

The sustainability of support is given by the fact that all envisaged operations are rooted within the mainstream of the overall PA reform currently undergoing in the country. The sustainability of the Action results will, however, depend on the commitment by the beneficiary institutions.

The high involvement of stakeholders in PAR Programme design and implementation will create ownership and long-term links and commitment among partners. Moreover, successful measures will serve as an example, encouraging the adoption and adaptation of good practice, tested methods and solutions to different contexts.

## **7. COMMUNICATION AND VISIBILITY**

Communication and visibility will be given high importance during the implementation of the Action. The implementation of the communication activities shall be the responsibility of the beneficiary, and shall be funded from the amounts allocated to the Action.

All necessary measures will be taken to publicise the fact that the Action has received funding from the EU in line with the Communication and Visibility Manual for EU External Actions. Additional Visibility Guidelines developed by the Commission (DG NEAR) will have to be followed.

Visibility and communication actions shall demonstrate how the intervention contributes to the agreed programme objectives and the accession process. Actions shall be aimed at strengthening general public awareness and support of interventions financed and the objectives pursued. The actions shall aim at highlighting to the relevant target audiences the added value and impact of the EU's interventions and will promote transparency and accountability on the use of funds.

It is the responsibility of the beneficiary to keep the EU Delegation and the Commission fully informed of the planning and implementation of the specific visibility and communication activities.

The beneficiary shall report on its visibility and communication actions in the report submitted to the IPA monitoring committee and the sectorial monitoring committees.



## **LIST OF ANNEXES**

### **1. List of reference documents**

## **ANNEX 1**

### **List of reference documents**

- SIGMA 2015 Baseline Measurement for the area Strategic Framework of Public Administration Reform in BiH

### **Strategic documents of BiH**

- Public Administration Reform Strategy (from 2006)
- Revised Action Plan 1 of the Public Administration Reform Strategy in BiH (2011–2014)
- Statistics Development Strategy for Bosnia and Herzegovina 2020 - draft
- Training and Civil Servants Development Strategy (2013 – 2015)
- Civil Service Agency Anti-Corruption Action Plan (2012 – 2014)
- Strategy for local governance development in the RS for the period 2009 – 2015 – adopted
- Strategy for training of the staff of local authorities in the RS for the period 2011 – 2015
- Strategy for Development of Statistics of Bosnia and Herzegovina 2020